

In the Senate of the United States,

July 19, 2000.

Resolved, That the bill from the House of Representatives (H.R. 2392) entitled “An Act to amend the Small Business Act to extend the authorization for the Small Business Innovation Research Program, and for other purposes.”, do pass with the following

AMENDMENT:

Strike out all after the enacting clause and insert:

1 ***SECTION 1. SHORT TITLE; TABLE OF CONTENTS.***

2 (a) *SHORT TITLE*.—*This Act may be cited as the*
3 *“Small Business Innovation Research Program Reauthor-*
4 *ization Act of 2000”*.

5 (b) *TABLE OF CONTENTS*.—*The table of contents for*
6 *this Act is as follows:*

Sec. 1. Short title; table of contents.

Sec. 2. Findings.

Sec. 3. Extension of SBIR program.

Sec. 4. Annual report.

Sec. 5. Third phase assistance.

Sec. 6. Policy directive modifications.

Sec. 7. Report on programs for annual performance plan.

Sec. 8. Output and outcome data.

Sec. 9. National Research Council reports.

Sec. 10. Federal agency expenditures for the SBIR program.
Sec. 11. Federal and State Technology Partnership Program.
Sec. 12. Mentoring Networks.
Sec. 13. Simplified reporting requirements.
Sec. 14. Rural outreach program extension.

1 **SEC. 2. FINDINGS.**

2 *Congress finds that—*

3 *(1) the small business innovation research pro-*
 4 *gram established under the Small Business Innova-*
 5 *tion Development Act of 1982, and reauthorized by*
 6 *the Small Business Research and Development En-*
 7 *hancement Act of 1992 (in this Act referred to as the*
 8 *“SBIR program”) is highly successful in involving*
 9 *small businesses in federally funded research and de-*
 10 *velopment;*

11 *(2) the SBIR program made the cost-effective*
 12 *and unique research and development capabilities*
 13 *possessed by the small businesses of this Nation avail-*
 14 *able to Federal agencies and departments;*

15 *(3) the innovative goods and services developed*
 16 *by small businesses that participated in the SBIR*
 17 *program have produced innovations of critical impor-*
 18 *tance in a wide variety of high-technology fields, in-*
 19 *cluding biology, medicine, education, and defense;*

20 *(4) the SBIR program is a catalyst in the pro-*
 21 *motion of research and development, the commer-*
 22 *cialization of innovative technology, the development*

1 of new products and services, and the continued excel-
 2 lence of this Nation’s high-technology industries; and
 3 (5) the continuation of the SBIR program will
 4 provide expanded opportunities for one of the Na-
 5 tion’s vital resources, its small businesses, will foster
 6 invention, research, and technology, will create jobs,
 7 and will increase this Nation’s competitiveness in
 8 international markets.

9 **SEC. 3. EXTENSION OF SBIR PROGRAM.**

10 Section 9(m) of the Small Business Act (15 U.S.C.
 11 638(m)) is amended to read as follows:

12 “(m) *TERMINATION.*—The authorization to carry out
 13 the Small Business Innovation Research Program estab-
 14 lished under this section shall terminate on September 30,
 15 2008.”.

16 **SEC. 4. ANNUAL REPORT.**

17 Section 9(b)(7) of the Small Business Act (15 U.S.C.
 18 638(b)(7)) is amended by striking “and the Committee on
 19 Small Business of the House of Representatives” and insert-
 20 ing “; and to the Committee on Science and the Committee
 21 on Small Business of the House of Representatives,”.

22 **SEC. 5. THIRD PHASE ASSISTANCE.**

23 Section 9(e)(4)(C)(i) of the Small Business Act (15
 24 U.S.C. 638(e)(4)(C)(i)) is amended by striking “; and” and
 25 inserting “; or”.

1 **SEC. 6. POLICY DIRECTIVE MODIFICATIONS.**

2 *Section 9(j) of the Small Business Act (15 U.S.C.*
3 *638(j)) is amended by adding at the end the following:*

4 *“(3) ADDITIONAL MODIFICATIONS.—Not later*
5 *than 120 days after the date of enactment of the*
6 *Small Business Innovation Research Program Reau-*
7 *thorization Act of 2000, the Administrator shall mod-*
8 *ify the policy directives issued pursuant to this*
9 *subsection—*

10 *“(A) to clarify that the rights provided for*
11 *under paragraph (2)(A) apply to all Federal*
12 *funding awards under this section, including the*
13 *first phase (as described in subsection (e)(4)(A)),*
14 *the second phase (as described in subsection*
15 *(e)(4)(B)), and the third phase (as described in*
16 *subsection (e)(4)(C));*

17 *“(B) to provide for the requirement of a*
18 *succinct commercialization plan with each ap-*
19 *plication for a second phase award that is mov-*
20 *ing toward commercialization;*

21 *“(C) to require agencies to report to the Ad-*
22 *ministration, not less frequently than annually,*
23 *all instances in which an agency pursued re-*
24 *search, development, or production of a tech-*
25 *nology developed by a small business concern*
26 *using an award made under the SBIR program*

1 of that agency, and determined that it was not
2 practicable to enter into a follow-on non-SBIR
3 program funding agreement with the small busi-
4 ness concern, which report shall include, at a
5 minimum—

6 “(i) the reasons why the follow-on
7 funding agreement with the small business
8 concern was not practicable;

9 “(ii) the identity of the entity with
10 which the agency contracted to perform the
11 research, development, or production; and

12 “(iii) a description of the type of fund-
13 ing agreement under which the research, de-
14 velopment, or production was obtained; and

15 “(D) to implement subsection (v), including
16 establishing standardized procedures for the pro-
17 vision of information pursuant to subsection
18 (k)(3).”.

19 **SEC. 7. REPORT ON PROGRAMS FOR ANNUAL PERFORM-**
20 **ANCE PLAN.**

21 Section 9(g) of the Small Business Act (15 U.S.C.
22 638(g)) is amended—

23 (1) in paragraph (7), by striking “and” at the
24 end;

1 (2) *in paragraph (8), by striking the period at*
 2 *the end and inserting a semicolon; and*

3 (3) *by adding at the end the following new para-*
 4 *graph:*

5 “(9) *include, as part of its annual performance*
 6 *plan as required by subsections (a) and (b) of section*
 7 *1115 of title 31, United States Code, a section on its*
 8 *SBIR program, and shall submit such section to the*
 9 *Committee on Small Business of the Senate, and the*
 10 *Committee on Science and the Committee on Small*
 11 *Business of the House of Representatives; and”.*

12 **SEC. 8. OUTPUT AND OUTCOME DATA.**

13 (a) *COLLECTION.*—Section 9(g) of the Small Business
 14 *Act (15 U.S.C. 638(g)), as amended by section 7 of this*
 15 *Act, is amended by adding at the end the following new*
 16 *paragraph:*

17 “(10) *collect, and maintain in a common format*
 18 *in accordance with subsection (v), such information*
 19 *from awardees as is necessary to assess the SBIR pro-*
 20 *gram, including information necessary to maintain*
 21 *the database described in subsection (k).”.*

22 (b) *REPORT TO CONGRESS.*—Section 9(b)(7) of the
 23 *Small Business Act (15 U.S.C. 638(b)(7)), as amended by*
 24 *section 4 of this Act, is amended by inserting before the*
 25 *period at the end “, including the data on output and out-*

1 *comes collected pursuant to subsections (g)(10) and (o)(9),*
 2 *and a description of the extent to which Federal agencies*
 3 *are providing in a timely manner information needed to*
 4 *maintain the database described in subsection (k)”.*

5 *(c) DATABASE.—Section 9(k) of the Small Business*
 6 *Act (15 U.S.C. 638(k)) is amended to read as follows:*

7 *“(k) DATABASE.—*

8 *“(1) PUBLIC DATABASE.—Not later than 180*
 9 *days after the date of enactment of the Small Busi-*
 10 *ness Innovation Research Program Reauthorization*
 11 *Act of 2000, the Administrator shall develop, main-*
 12 *tain, and make available to the public a searchable,*
 13 *up-to-date, electronic database that includes—*

14 *“(A) the name, size, location, and an iden-*
 15 *tifying number assigned by the Administrator, of*
 16 *each small business concern that has received a*
 17 *first phase or second phase SBIR award from a*
 18 *Federal agency;*

19 *“(B) a description of each first phase or sec-*
 20 *ond phase SBIR award received by that small*
 21 *business concern, including—*

22 *“(i) an abstract of the project funded*
 23 *by the award, excluding any proprietary*
 24 *information so identified by the small busi-*
 25 *ness concern;*

1 “(ii) the Federal agency making the
2 award; and

3 “(iii) the date and amount of the
4 award;

5 “(C) an identification of any business con-
6 cern or subsidiary established for the commercial
7 application of a product or service for which an
8 SBIR award is made; and

9 “(D) information regarding mentors and
10 Mentoring Networks, as required by section
11 35(d).

12 “(2) GOVERNMENT DATABASE.—Not later than
13 180 days after the date of enactment of the Small
14 Business Innovation Research Program Reauthoriza-
15 tion Act of 2000, the Administrator, in consultation
16 with Federal agencies required to have an SBIR pro-
17 gram pursuant to subsection (f)(1), shall develop and
18 maintain a database to be used solely for SBIR pro-
19 gram evaluation that—

20 “(A) contains for each second phase award
21 made by a Federal agency—

22 “(i) information collected in accord-
23 ance with paragraph (3) on revenue from
24 the sale of new products or services resulting

1 *from the research conducted under the*
2 *award;*

3 “(ii) *information collected in accord-*
4 *ance with paragraph (3) on additional in-*
5 *vestment from any source, other than first*
6 *phase or second phase SBIR or STTR*
7 *awards, to further the research and develop-*
8 *ment conducted under the award; and*

9 “(iii) *any other information received*
10 *in connection with the award that the Ad-*
11 *ministrator, in conjunction with the SBIR*
12 *program managers of Federal agencies, con-*
13 *siders relevant and appropriate;*

14 “(B) *includes any narrative information*
15 *that a small business concern receiving a second*
16 *phase award voluntarily submits to further de-*
17 *scribe the outputs and outcomes of its awards;*

18 “(C) *includes for each applicant for a first*
19 *phase or second phase award that does not re-*
20 *ceive such an award—*

21 “(i) *the name, size, and location, and*
22 *an identifying number assigned by the Ad-*
23 *ministration;*

24 “(ii) *an abstract of the project; and*

1 “(iii) the Federal agency to which the
2 application was made;

3 “(D) includes any other data collected by or
4 available to any Federal agency that such agency
5 considers may be useful for SBIR program eval-
6 uation; and

7 “(E) is available for use solely for program
8 evaluation purposes by the Federal Government
9 or, in accordance with policy directives issued by
10 the Administration, by other authorized persons
11 who are subject to a use and nondisclosure agree-
12 ment with the Federal Government covering the
13 use of the database.

14 “(3) UPDATING INFORMATION FOR DATABASE.—

15 “(A) IN GENERAL.—A small business con-
16 cern applying for a second phase award under
17 this section shall be required to update informa-
18 tion in the database established under this sub-
19 section for any prior second phase award re-
20 ceived by that small business concern. In com-
21 plying with this paragraph, a small business
22 concern may apportion sales or additional in-
23 vestment information relating to more than one
24 second phase award among those awards, if it
25 notes the apportionment for each award.

1 “(B) *ANNUAL UPDATES UPON TERMI-*
 2 *NATION.—A small business concern receiving a*
 3 *second phase award under this section shall—*

4 “(i) *update information in the data-*
 5 *base concerning that award at the termi-*
 6 *nation of the award period; and*

7 “(ii) *be requested to voluntarily update*
 8 *such information annually thereafter for a*
 9 *period of 5 years.*

10 “(4) *PROTECTION OF INFORMATION.—Informa-*
 11 *tion provided under paragraph (2) shall be considered*
 12 *privileged and confidential and not subject to disclo-*
 13 *sure pursuant to section 552 of title 5, United States*
 14 *Code.*

15 “(5) *RULE OF CONSTRUCTION.—Inclusion of in-*
 16 *formation in the database under this subsection shall*
 17 *not be considered to be publication for purposes of*
 18 *subsection (a) or (b) of section 102 of title 35, United*
 19 *States Code.”.*

20 **SEC. 9. NATIONAL RESEARCH COUNCIL REPORTS.**

21 “(a) *STUDY AND RECOMMENDATIONS.—The head of*
 22 *each agency with a budget of more than \$50,000,000 for*
 23 *its SBIR program for fiscal year 1999, in consultation with*
 24 *the Small Business Administration, shall, not later than*
 25 *6 months after the date of enactment of this Act, coopera-*

1 *tively enter into an agreement with the National Academy*
2 *of Sciences for the National Research Council to—*

3 *(1) conduct a comprehensive study of how the*
4 *SBIR program has stimulated technological innova-*
5 *tion and used small businesses to meet Federal re-*
6 *search and development needs, including—*

7 *(A) a review of the value to the Federal re-*
8 *search agencies of the research projects being con-*
9 *ducted under the SBIR program, and of the*
10 *quality of research being conducted by small*
11 *businesses participating under the program, in-*
12 *cluding a comparison of the value of projects*
13 *conducted under the SBIR program to those*
14 *funded by other Federal research and develop-*
15 *ment expenditures;*

16 *(B) to the extent practicable, an evaluation*
17 *of the economic benefits achieved by the SBIR*
18 *program, including the economic rate of return,*
19 *and a comparison of the economic benefits, in-*
20 *cluding the economic rate of return, achieved by*
21 *the SBIR program with the economic benefits,*
22 *including the economic rate of return, of other*
23 *Federal research and development expenditures;*

1 (C) an evaluation of the noneconomic bene-
2 fits achieved by the SBIR program over the life
3 of the program;

4 (D) a comparison of the allocation for fiscal
5 year 2000 of Federal research and development
6 funds to small businesses with such allocation for
7 fiscal year 1983, and an analysis of the factors
8 that have contributed to such allocation; and

9 (E) an analysis of whether Federal agen-
10 cies, in fulfilling their procurement needs, are
11 making sufficient effort to use small businesses
12 that have completed a second phase award under
13 the SBIR program; and

14 (2) make recommendations with respect to—

15 (A) measures of outcomes for strategic plans
16 submitted under section 306 of title 5, United
17 States Code, and performance plans submitted
18 under section 1115 of title 31, United States
19 Code, of each Federal agency participating in
20 the SBIR program;

21 (B) whether companies who can dem-
22 onstrate project feasibility, but who have not re-
23 ceived a first phase award, should be eligible for
24 second phase awards, and the potential impact

1 *of such awards on the competitive selection proc-*
2 *ess of the program;*

3 *(C) whether the Federal Government should*
4 *be permitted to recoup some or all of its expenses*
5 *if a controlling interest in a company receiving*
6 *an SBIR award is sold to a foreign company or*
7 *to a company that is not a small business con-*
8 *cern;*

9 *(D) how to increase the use by the Federal*
10 *Government in its programs and procurements*
11 *of technology-oriented small businesses; and*

12 *(E) improvements to the SBIR program, if*
13 *any are considered appropriate.*

14 *(b) PARTICIPATION BY SMALL BUSINESS.—*

15 *(1) IN GENERAL.—In a manner consistent with*
16 *law and with National Research Council study guide-*
17 *lines and procedures, knowledgeable individuals from*
18 *the small business community with experience in the*
19 *SBIR program shall be included—*

20 *(A) in any panel established by the Na-*
21 *tional Research Council for the purpose of per-*
22 *forming the study conducted under this section;*
23 *and*

24 *(B) among those who are asked by the Na-*
25 *tional Research Council to peer review the study.*

1 (2) *CONSULTATION.*—*To ensure that the concerns*
2 *of small business are appropriately considered under*
3 *this subsection, the National Research Council shall*
4 *consult with and consider the views of the Office of*
5 *Technology and the Office of Advocacy of the Small*
6 *Business Administration and other interested parties,*
7 *including entities, organizations, and individuals ac-*
8 *tively engaged in enhancing or developing the techno-*
9 *logical capabilities of small business concerns.*

10 (c) *PROGRESS REPORTS.*—*The National Research*
11 *Council shall provide semiannual progress reports on the*
12 *study conducted under this section to the Committee on*
13 *Science and the Committee on Small Business of the House*
14 *of Representatives, and to the Committee on Small Business*
15 *of the Senate.*

16 (d) *REPORT.*—*The National Research Council shall*
17 *transmit to the heads of agencies entering into an agree-*
18 *ment under this section and to the Committee on Science*
19 *and the Committee on Small Business of the House of Rep-*
20 *resentatives, and to the Committee on Small Business of*
21 *the Senate—*

22 (1) *not later than 3 years after the date of enact-*
23 *ment of this Act, a report including the results of the*
24 *study conducted under subsection (a)(1) and rec-*
25 *ommendations made under subsection (a)(2); and*

1 (2) *not later than 6 years after that date of en-*
 2 *actment, an update of such report.*

3 **SEC. 10. FEDERAL AGENCY EXPENDITURES FOR THE SBIR**
 4 **PROGRAM.**

5 *Section 9(i) of the Small Business Act (15 U.S.C.*
 6 *638(i)) is amended—*

7 (1) *by striking “(i) Each Federal” and inserting*
 8 *the following:*

9 “(i) *ANNUAL REPORTING.—*

10 *“(1) IN GENERAL.—Each Federal”; and*

11 *(2) by adding at the end the following:*

12 “(2) *CALCULATION OF EXTRAMURAL BUDGET.—*

13 *“(A) METHODOLOGY.—Not later than 4*
 14 *months after the date of enactment of each ap-*
 15 *propriations Act for a Federal agency required*
 16 *by this section to have an SBIR program, the*
 17 *Federal agency shall submit to the Administrator*
 18 *a report, which shall include a description of the*
 19 *methodology used for calculating the amount of*
 20 *the extramural budget of that Federal agency.*

21 “(B) *ADMINISTRATOR’S ANALYSIS.—The*
 22 *Administrator shall include an analysis of the*
 23 *methodology received from each Federal agency*
 24 *referred to in subparagraph (A) in the report re-*
 25 *quired by subsection (b)(7).”.*

1 **SEC. 11. FEDERAL AND STATE TECHNOLOGY PARTNERSHIP**
2 **PROGRAM.**

3 (a) *FINDINGS.*—Congress finds that—

4 (1) *programs to foster economic development*
5 *among small high-technology firms vary widely*
6 *among the States;*

7 (2) *States that do not aggressively support the*
8 *development of small high-technology firms, including*
9 *participation by small business concerns in the SBIR*
10 *program, are at a competitive disadvantage in estab-*
11 *lishing a business climate that is conducive to tech-*
12 *nology development; and*

13 (3) *building stronger national, State, and local*
14 *support for science and technology research in these*
15 *disadvantaged States will expand economic opportu-*
16 *nities in the United States, create jobs, and increase*
17 *the competitiveness of the United States in the world*
18 *market.*

19 (b) *FEDERAL AND STATE TECHNOLOGY PARTNERSHIP*
20 *PROGRAM.*—*The Small Business Act (15 U.S.C. 631 et seq.)*
21 *is amended—*

22 (1) *by redesignating section 34 as section 36;*
23 *and*

24 (2) *by inserting after section 33 the following*
25 *new section:*

1 **“SEC. 34. FEDERAL AND STATE TECHNOLOGY PARTNER-**
2 **SHIP PROGRAM.**

3 “(a) *DEFINITIONS.*—*In this section and section 35—*

4 “(1) *the term ‘applicant’ means an entity, orga-*
5 *nization, or individual that submits a proposal for an*
6 *award or a cooperative agreement under this section;*

7 “(2) *the term ‘business advice and counseling’*
8 *means providing advice and assistance on matters de-*
9 *scribed in section 35(c)(2)(B) to small business con-*
10 *cerns to guide them through the SBIR and STTR*
11 *program process, from application to award and suc-*
12 *cessful completion of each phase of the program;*

13 “(3) *the term ‘FAST program’ means the Fed-*
14 *eral and State Technology Partnership Program es-*
15 *tablished under this section;*

16 “(4) *the term ‘mentor’ means an individual de-*
17 *scribed in section 35(c)(2);*

18 “(5) *the term ‘Mentoring Network’ means an as-*
19 *sociation, organization, coalition, or other entity (in-*
20 *cluding an individual) that meets the requirements of*
21 *section 35(c);*

22 “(6) *the term ‘recipient’ means a person that re-*
23 *ceives an award or becomes party to a cooperative*
24 *agreement under this section;*

25 “(7) *the term ‘SBIR program’ has the same*
26 *meaning as in section 9(e)(4);*

1 “(8) the term ‘State’ means any of the 50 States
 2 of the United States, the District of Columbia, Puerto
 3 Rico, the Virgin Islands, Guam, and American
 4 Samoa; and

5 “(9) the term ‘STTR program’ has the same
 6 meaning as in section 9(e)(6).

7 “(b) *ESTABLISHMENT OF PROGRAM.*—The Adminis-
 8 trator shall establish a program to be known as the Federal
 9 and State Technology Partnership Program, the purpose of
 10 which shall be to strengthen the technological competitive-
 11 ness of small business concerns in the States.

12 “(c) *GRANTS AND COOPERATIVE AGREEMENTS.*—

13 “(1) *JOINT REVIEW.*—In carrying out the FAST
 14 program under this section, the Administrator and
 15 the SBIR program managers at the National Science
 16 Foundation and the Department of Defense shall
 17 jointly review proposals submitted by applicants and
 18 may make awards or enter into cooperative agree-
 19 ments under this section based on the factors for con-
 20 sideration set forth in paragraph (2), in order to en-
 21 hance or develop in a State—

22 “(A) technology research and development
 23 by small business concerns;

1 “(B) technology transfer from university re-
2 search to technology-based small business con-
3 cerns;

4 “(C) technology deployment and diffusion
5 benefiting small business concerns;

6 “(D) the technological capabilities of small
7 business concerns through the establishment or
8 operation of consortia comprised of entities, or-
9 ganizations, or individuals, including—

10 “(i) State and local development agen-
11 cies and entities;

12 “(ii) representatives of technology-
13 based small business concerns;

14 “(iii) industries and emerging compa-
15 nies;

16 “(iv) universities; and

17 “(v) small business development cen-
18 ters; and

19 “(E) outreach, financial support, and tech-
20 nical assistance to technology-based small busi-
21 ness concerns participating in or interested in
22 participating in an SBIR program, including
23 initiatives—

1 “(i) to make grants or loans to compa-
2 nies to pay a portion or all of the cost of
3 developing SBIR proposals;

4 “(ii) to establish or operate a Men-
5 toring Network within the FAST program
6 to provide business advice and counseling
7 that will assist small business concerns that
8 have been identified by FAST program par-
9 ticipants, program managers of partici-
10 pating SBIR agencies, the Administration,
11 or other entities that are knowledgeable
12 about the SBIR and STTR programs as
13 good candidates for the SBIR and STTR
14 programs, and that would benefit from
15 mentoring, in accordance with section 35;

16 “(iii) to create or participate in a
17 training program for individuals providing
18 SBIR outreach and assistance at the State
19 and local levels; and

20 “(iv) to encourage the commercializa-
21 tion of technology developed through SBIR
22 program funding.

23 “(2) SELECTION CONSIDERATIONS.—In making
24 awards or entering into cooperative agreements under

1 *this section, the Administrator and the SBIR pro-*
2 *gram managers referred to in paragraph (1)—*

3 *“(A) may only consider proposals by appli-*
4 *cants that intend to use a portion of the Federal*
5 *assistance provided under this section to provide*
6 *outreach, financial support, or technical assist-*
7 *ance to technology-based small business concerns*
8 *participating in or interested in participating*
9 *in the SBIR program; and*

10 *“(B) shall consider, at a minimum—*

11 *“(i) whether the applicant has dem-*
12 *onstrated that the assistance to be provided*
13 *would address unmet needs of small busi-*
14 *ness concerns in the community, and wheth-*
15 *er it is important to use Federal funding*
16 *for the proposed activities;*

17 *“(ii) whether the applicant has dem-*
18 *onstrated that a need exists to increase the*
19 *number or success of small high-technology*
20 *businesses in the State, as measured by the*
21 *number of first phase and second phase*
22 *SBIR awards that have historically been re-*
23 *ceived by small business concerns in the*
24 *State;*

1 “(iii) whether the projected costs of the
2 proposed activities are reasonable;

3 “(iv) whether the proposal integrates
4 and coordinates the proposed activities with
5 other State and local programs assisting
6 small high-technology firms in the State;
7 and

8 “(v) the manner in which the appli-
9 cant will measure the results of the activi-
10 ties to be conducted.

11 “(3) *PROPOSAL LIMIT*.—Not more than 1 pro-
12 posal may be submitted for inclusion in the FAST
13 program under this section to provide services in any
14 one State in any 1 fiscal year.

15 “(4) *PROCESS*.—Proposals and applications for
16 assistance under this section shall be in such form
17 and subject to such procedures as the Administrator
18 shall establish.

19 “(d) *COOPERATION AND COORDINATION*.—In carrying
20 out the FAST program under this section, the Adminis-
21 trator shall cooperate and coordinate with—

22 “(1) Federal agencies required by section 9 to
23 have an SBIR program; and

24 “(2) entities, organizations, and individuals ac-
25 tively engaged in enhancing or developing the techno-

1 *logical capabilities of small business concerns,*
2 *including—*

3 “(A) *State and local development agencies*
4 *and entities;*

5 “(B) *State committees established under the*
6 *Experimental Program to Stimulate Competitive*
7 *Research of the National Science Foundation (as*
8 *established under section 113 of the National*
9 *Science Foundation Authorization Act of 1988*
10 *(42 U.S.C. 1862g));*

11 “(C) *State science and technology councils;*
12 *and*

13 “(D) *representatives of technology-based*
14 *small business concerns.*

15 “(e) *ADMINISTRATIVE REQUIREMENTS.—*

16 “(1) *COMPETITIVE BASIS.—Awards and coopera-*
17 *tive agreements under this section shall be made or*
18 *entered into, as applicable, on a competitive basis.*

19 “(2) *MATCHING REQUIREMENTS.—*

20 “(A) *IN GENERAL.—The non-Federal share*
21 *of the cost of an activity (other than a planning*
22 *activity) carried out using an award or under a*
23 *cooperative agreement under this section shall*
24 *be—*

1 “(i) 50 cents for each Federal dollar,
2 in the case of a recipient that will serve
3 small business concerns located in one of the
4 18 States receiving the fewest SBIR first
5 phase awards (as described in section
6 9(e)(4)(A));

7 “(ii) except as provided in subpara-
8 graph (B), 1 dollar for each Federal dollar,
9 in the case of a recipient that will serve
10 small business concerns located in one of the
11 16 States receiving the greatest number of
12 such SBIR first phase awards; and

13 “(iii) except as provided in subpara-
14 graph (B), 75 cents for each Federal dollar,
15 in the case of a recipient that will serve
16 small business concerns located in a State
17 that is not described in clause (i) or (ii)
18 that is receiving such SBIR first phase
19 awards.

20 “(B) LOW-INCOME AREAS.—The non-Fed-
21 eral share of the cost of the activity carried out
22 using an award or under a cooperative agree-
23 ment under this section shall be 50 cents for each
24 Federal dollar that will be directly allocated by
25 a recipient described in subparagraph (A) to

1 *serve small business concerns located in a quali-*
2 *fied census tract, as that term is defined in sec-*
3 *tion 42(d)(5)(C)(ii) of the Internal Revenue Code*
4 *of 1986. Federal dollars not so allocated by that*
5 *recipient shall be subject to the matching require-*
6 *ments of subparagraph (A).*

7 *“(C) TYPES OF FUNDING.—The non-Federal*
8 *share of the cost of an activity carried out by a*
9 *recipient shall be comprised of not less than 50*
10 *percent cash and not more than 50 percent of in-*
11 *direct costs and in-kind contributions, except*
12 *that no such costs or contributions may be de-*
13 *rived from funds from any other Federal pro-*
14 *gram.*

15 *“(D) RANKINGS.—For purposes of subpara-*
16 *graph (A), the Administrator shall reevaluate the*
17 *ranking of a State once every 2 fiscal years, be-*
18 *ginning with fiscal year 2001, based on the most*
19 *recent statistics compiled by the Administrator.*

20 *“(3) DURATION.—Awards may be made or coop-*
21 *erative agreements entered into under this section for*
22 *multiple years, not to exceed 5 years in total.*

23 *“(f) REPORTS.—*

24 *“(1) INITIAL REPORT.—Not later than 120 days*
25 *after the date of enactment of the Small Business In-*

1 *novation Research Program Reauthorization Act of*
2 *2000, the Administrator shall prepare and submit to*
3 *the Committee on Small Business of the Senate and*
4 *the Committee on Science and the Committee on*
5 *Small Business of the House of Representatives a re-*
6 *port, which shall include, with respect to the FAST*
7 *program, including Mentoring Networks—*

8 *“(A) a description of the structure and pro-*
9 *cedures of the program;*

10 *“(B) a management plan for the program;*
11 *and*

12 *“(C) a description of the merit-based review*
13 *process to be used in the program.*

14 *“(2) ANNUAL REPORTS.—The Administrator*
15 *shall submit an annual report to the Committee on*
16 *Small Business of the Senate and the Committee on*
17 *Science and the Committee on Small Business of the*
18 *House of Representatives regarding—*

19 *“(A) the number and amount of awards*
20 *provided and cooperative agreements entered into*
21 *under the FAST program during the preceding*
22 *year;*

23 *“(B) a list of recipients under this section,*
24 *including their location and the activities being*

1 performed with the awards made or under the
2 cooperative agreements entered into; and

3 “(C) the Mentoring Networks and the men-
4 toring database, as provided for under section
5 35, including—

6 “(i) the status of the inclusion of men-
7 toring information in the database required
8 by section 9(k); and

9 “(ii) the status of the implementation
10 and description of the usage of the Men-
11 toring Networks.

12 “(g) *REVIEWS BY INSPECTOR GENERAL.*—

13 “(1) *IN GENERAL.*—The Inspector General of the
14 Administration shall conduct a review of—

15 “(A) the extent to which recipients under
16 the FAST program are measuring the perform-
17 ance of the activities being conducted and the re-
18 sults of such measurements; and

19 “(B) the overall management and effective-
20 ness of the FAST program.

21 “(2) *REPORT.*—During the first quarter of fiscal
22 year 2004, the Inspector General of the Administra-
23 tion shall submit a report to the Committee on Small
24 Business of the Senate and the Committee on Science
25 and the Committee on Small Business of the House

1 *of Representatives on the review conducted under*
 2 *paragraph (1).*

3 “(h) *PROGRAM LEVELS.*—

4 “(1) *IN GENERAL.*—*There is authorized to be ap-*
 5 *propriated to carry out the FAST program, including*
 6 *Mentoring Networks, under this section and section*
 7 *35, \$10,000,000 for each of fiscal years 2001 through*
 8 *2005.*

9 “(2) *MENTORING DATABASE.*—*Of the total*
 10 *amount made available under paragraph (1) for fis-*
 11 *cal years 2001 through 2005, a reasonable amount,*
 12 *not to exceed a total of \$500,000, may be used by the*
 13 *Administration to carry out section 35(d).*

14 “(i) *TERMINATION.*—*The authorization to carry out*
 15 *the FAST program under this section shall terminate on*
 16 *September 30, 2005.”.*

17 “(c) *COORDINATION OF TECHNOLOGY DEVELOPMENT*
 18 *PROGRAMS.*—*Section 9 of the Small Business Act (15*
 19 *U.S.C. 638) is amended by adding at the end the following:*

20 “(u) *COORDINATION OF TECHNOLOGY DEVELOPMENT*
 21 *PROGRAMS.*—

22 “(1) *DEFINITION OF TECHNOLOGY DEVELOPMENT*
 23 *PROGRAM.*—*In this subsection, the term ‘technology*
 24 *development program’ means—*

1 “(A) *the Experimental Program to Stimu-*
2 *late Competitive Research of the National*
3 *Science Foundation, as established under section*
4 *113 of the National Science Foundation Author-*
5 *ization Act of 1988 (42 U.S.C. 1862g);*

6 “(B) *the Defense Experimental Program to*
7 *Stimulate Competitive Research of the Depart-*
8 *ment of Defense;*

9 “(C) *the Experimental Program to Stimu-*
10 *late Competitive Research of the Department of*
11 *Energy;*

12 “(D) *the Experimental Program to Stimu-*
13 *late Competitive Research of the Environmental*
14 *Protection Agency;*

15 “(E) *the Experimental Program to Stimu-*
16 *late Competitive Research of the National Aero-*
17 *navitics and Space Administration;*

18 “(F) *the Institutional Development Award*
19 *Program of the National Institutes of Health;*
20 *and*

21 “(G) *the National Research Initiative Com-*
22 *petitive Grants Program of the Department of*
23 *Agriculture.*

24 “(2) *COORDINATION REQUIREMENTS.—Each*
25 *Federal agency that is subject to subsection (f) and*

1 *that has established a technology development pro-*
2 *gram may, in each fiscal year, review for funding*
3 *under that technology development program—*

4 “(A) *any proposal to provide outreach and*
5 *assistance to 1 or more small business concerns*
6 *interested in participating in the SBIR pro-*
7 *gram, including any proposal to make a grant*
8 *or loan to a company to pay a portion or all of*
9 *the cost of developing an SBIR proposal, from*
10 *an entity, organization, or individual located*
11 *in—*

12 “(i) *a State that is eligible to partici-*
13 *pate in that program; or*

14 “(ii) *a State described in paragraph*
15 *(3); or*

16 “(B) *any proposal for the first phase of the*
17 *SBIR program, if the proposal, though meri-*
18 *torious, is not funded through the SBIR program*
19 *for that fiscal year due to funding restraints,*
20 *from a small business concern located in—*

21 “(i) *a State that is eligible to partici-*
22 *pate in a technology development program;*

23 *or*

24 “(ii) *a State described in paragraph*
25 *(3).*

1 “(3) *ADDITIONALLY ELIGIBLE STATE.*—A State
 2 referred to in subparagraph (A)(ii) or (B)(ii) of para-
 3 graph (2) is a State in which the total value of con-
 4 tracts awarded to small business concerns under all
 5 SBIR programs is less than the total value of con-
 6 tracts awarded to small business concerns in a major-
 7 ity of other States, as determined by the Adminis-
 8 trator in biennial fiscal years, beginning with fiscal
 9 year 2000, based on the most recent statistics com-
 10 piled by the Administrator.”.

11 **SEC. 12. MENTORING NETWORKS.**

12 The Small Business Act (15 U.S.C. 631 et seq.) is
 13 amended by inserting after section 34, as added by section
 14 11(b)(2) of this Act, the following new section:

15 **“SEC. 35. MENTORING NETWORKS.**

16 “(a) *FINDINGS.*—Congress finds that—

17 “(1) the SBIR and STTR programs create jobs,
 18 increase capacity for technological innovation, and
 19 boost international competitiveness;

20 “(2) increasing the quantity of applications from
 21 all States to the SBIR and STTR programs would
 22 enhance competition for such awards and the quality
 23 of the completed projects; and

24 “(3) mentoring is a natural complement to the
 25 FAST program of reaching out to new companies re-

1 *garding the SBIR and STTR programs as an effec-*
 2 *tive and low-cost way to improve the likelihood that*
 3 *such companies will succeed in such programs in de-*
 4 *veloping and commercializing their research.*

5 “(b) *AUTHORIZATION FOR MENTORING NETWORKS.—*
 6 *The recipient of an award or participant in a cooperative*
 7 *agreement under section 34 may use a reasonable amount*
 8 *of such assistance for the establishment of a Mentoring Net-*
 9 *work under this section.*

10 “(c) *CRITERIA FOR MENTORING NETWORKS.—A Men-*
 11 *toring Network established using assistance under section*
 12 *34 shall—*

13 “(1) *provide business advice and counseling to*
 14 *high technology small business concerns located in the*
 15 *State or region served by the Mentoring Network and*
 16 *identified under section 34(c)(1)(E)(ii) as potential*
 17 *candidates for the SBIR or STTR programs;*

18 “(2) *identify volunteer mentors who—*

19 “(A) *are persons associated with a small*
 20 *business concern that has successfully completed*
 21 *one or more SBIR or STTR funding agreements;*
 22 *and*

23 “(B) *have agreed to guide small business*
 24 *concerns through all stages of the SBIR or STTR*

1 *program process, including providing assistance*
 2 *relating to—*

3 “(i) *proposal writing;*

4 “(ii) *marketing;*

5 “(iii) *Government accounting;*

6 “(iv) *Government audits;*

7 “(v) *project facilities and equipment;*

8 “(vi) *human resources;*

9 “(vii) *third phase partners;*

10 “(viii) *commercialization;*

11 “(ix) *venture capital networking; and*

12 “(x) *other matters relevant to the*

13 *SBIR and STTR programs;*

14 “(3) *have experience working with small business*

15 *concerns participating in the SBIR and STTR pro-*

16 *grams;*

17 “(4) *contribute information to the national data-*

18 *base referred to in subsection (d); and*

19 “(5) *agree to reimburse volunteer mentors for*

20 *out-of-pocket expenses related to service as a mentor*

21 *under this section.*

22 “(d) *MENTORING DATABASE.—The Administrator*

23 *shall—*

24 “(1) *include in the database required by section*

25 *9(k)(1), in cooperation with the SBIR, STTR, and*

1 *FAST programs, information on Mentoring Networks*
 2 *and mentors participating under this section, includ-*
 3 *ing a description of their areas of expertise;*

4 *“(2) work cooperatively with Mentoring Net-*
 5 *works to maintain and update the database;*

6 *“(3) take such action as may be necessary to ag-*
 7 *gressively promote Mentoring Networks under this sec-*
 8 *tion; and*

9 *“(4) fulfill the requirements of this subsection ei-*
 10 *ther directly or by contract.”.*

11 **SEC. 13. SIMPLIFIED REPORTING REQUIREMENTS.**

12 *Section 9 of the Small Business Act (15 U.S.C. 638),*
 13 *as amended by this Act, is amended by adding at the end*
 14 *the following new subsection:*

15 *“(v) SIMPLIFIED REPORTING REQUIREMENTS.—The*
 16 *Administrator shall work with the Federal agencies re-*
 17 *quired by this section to have an SBIR program to stand-*
 18 *ardize reporting requirements for the collection of data from*
 19 *SBIR applicants and awardees, including data for inclu-*
 20 *sion in the database under subsection (k), taking into con-*
 21 *sideration the unique needs of each agency, and to the extent*
 22 *possible, permitting the updating of previously reported in-*
 23 *formation by electronic means. Such requirements shall be*
 24 *designed to minimize the burden on small businesses.”.*

1 **SEC. 14. RURAL OUTREACH PROGRAM EXTENSION.**

2 (a) *EXTENSION OF TERMINATION DATE.*—Section
3 501(b)(2) of the Small Business Reauthorization Act of
4 1997 (15 U.S.C. 638 note; 111 Stat. 2622) is amended by
5 striking “2001” and inserting “2005”.

6 (b) *EXTENSION OF AUTHORIZATION OF APPROPRIA-*
7 *TIONS.*—Section 9(s)(2) of the Small Business Act (15
8 U.S.C. 638(s)(2)) is amended by striking “for fiscal year
9 1998, 1999, 2000, or 2001” and inserting “for each of the
10 fiscal years 2000 through 2005,”.

Attest:

Secretary.

106TH CONGRESS
2D SESSION

H. R. 2392

AMENDMENT

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